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The Honorable Peter W. Rodino, Jr.  
Chairman, Committee on the Judiciary 402500  
House of Representatives

R Dear Mr. Chairman:

Pursuant to the Committee's request of January 29, 1973, we have obtained from the Law Enforcement Assistance Administration (LEAA), Department of Justice, the most recent information available at LEAA headquarters on the award and disbursement of block grant funds to States and to subgrantees.

In a meeting with the Committee staff on February 13, 1973, we provided copies of LEAA's Schedules of Subgrants for Action Projects for the quarters which ended June 30 and September 30, 1972. The schedules--which were prepared by LEAA from data reported to it by the States--show the financial status of LEAA block grant funds awarded to States under part C and part E of the Omnibus Crime Control and Safe Streets Act of 1968, as amended (42 U.S.C. 3701). Part C grants, which are for programs and projects that improve and strengthen law enforcement, were first authorized in fiscal year 1969. Part E grants, which are for corrections projects, were first authorized in fiscal year 1971.

According to its officials, LEAA had not verified the State information. Also, because some States had not submitted the required information to LEAA and other States did not submit the information on time, the reports and schedules were not complete.

The Schedules of Subgrants for Action Projects are prepared quarterly for each fiscal year's C and E block grants awarded to the States and show the cumulative status of the States' award and disbursement of funds.

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The schedules summarize information submitted by the States on LEAA Form 156 titled "Schedule of Subgrants for Action Projects (cumulative)." Forms 156 provide a cumulative listing by the States of all subgrants from each fiscal year's block grants and are required to be furnished to the respective LEAA regional office no later than 30 days after the close of a calendar quarter. The LEAA regional offices are required to forward the schedules to LEAA headquarters within 15 days after they are received from the States.

LEAA required States to obligate or expend block grant funds awarded in fiscal years 1969, 1970, and 1971 within 2 years after the fiscal year of award. LEAA, however, granted the States a few additional months within which to expend funds obligated at the end of the 2-year periods. For example, at June 30, 1972, all fiscal year 1970 block grant funds should have been obligated or expended and the funds obligated but not expended at September 30, 1972, lapsed and should have been returned to the U.S. Treasury. Grants awarded in fiscal year 1972 are required to be obligated or expended within 2 years after the date of award, and obligations incurred at the end of the 2-year period are required to be expended within 3 months thereafter.

On February 7, 1973, we provided LEAA officials with a listing, developed from the aforementioned schedules, of the States with fiscal year 1970 grant funds that had not been obligated or disbursed to subgrantees by September 30, 1972. The total amount was about \$12 million. The schedules did not show whether funds disbursed to subgrantees may have lapsed because subgrantees are not required to report the status of their funds to LEAA.

LEAA told us that the data in the schedules could be misleading because of its policy of allowing States an extension of the prescribed deadlines for the obligation or expenditure of funds, and because some States operate on a reimbursable basis--that is, they expend funds and then drawdown the Federal funds. Therefore some of the funds shown on the schedules as not obligated or disbursed to subgrantees could actually have been committed for a specific purpose.

On February 9, 1973, LEAA provided us with a schedule showing (1) the States, with fund balances in excess of \$100,000, that had requested and were granted extensions of the deadlines, (2) the amount of funds returned or expected to be returned by the States to LEAA, and (3) the States which operate on the reimbursable basis. On February 13, 1972, we gave the Committee staff a copy of LEAA's schedule showing that information.

Comments on fiscal year 1970 block grant funds not obligated or expended by two States before September 30, 1972, follow.

1. LEAA's schedule of September 30, 1972, shows that the LEAA block grant to the State of New York was \$16,392,000 and that the entire amount had been awarded by the State to its subgrantees. Of the amount awarded, \$13,385,205 had been disbursed to subgrantees and \$3,006,795 had lapsed and would have been required to be returned to the Treasury had LEAA not granted the State its request for an additional 12 months (to June 30, 1973) within which to expend the 1970 funds.
2. LEAA's schedule of September 30, 1972, shows that the LEAA block grant to the State of Illinois was \$9,877,000, that \$9,866,560 had been awarded to its subgrantees, and that \$8,964,105 had been disbursed. According to LEAA, of the \$912,895 that had not been obligated or disbursed by September 30, 1972, \$562,000 is to be refunded and the remainder is reimbursable to subgrantees for expenditures made within the grant period.

We do not plan to distribute this letter further unless you agree or publicly announce its contents.

Sincerely yours,



Comptroller General  
of the United States